

# **REDUCING RISK EXPOSURE IN CONTRACTS**

*Presented by  
The Risk Management  
& Tort Defense  
Division*

*STATE AGENCIES EXERCISE NO CONTROL OVER THE WAYS IN  
WHICH AN INDEPENDENT CONTRACTOR PERFORMS ITS  
WORK, BUT MAY STILL BE LIABLE FOR INJURY OR  
DAMAGE ARISING OUT OF THE CONTRACTOR'S  
WORK UNDER CERTAIN CIRCUMSTANCES*

***... THOSE CIRCUMSTANCES TRADITIONALLY  
FALL INTO THREE GROUPS:***

- *Work that is inherently dangerous:*
- *Projects that impose non-delegable duties:*
- *Negligence in hiring an independent contractor.*

## **THE OBJECTIVES OF THIS COURSE ARE:**

- ◇ To improve understanding of hold harmless provisions in contracts
- ◇ To increase awareness of necessary insurance specifications.
- ◇ To introduce RMTD's new contract guidelines.
- ◇ To reduce contractual risk.

## *Why transfer risk?*

- \* **The state is self-insured.**
- \* **It is required by law.**
- \* **Contractor losses are unpredictable and are too large for the state to assume.**
- \* **The contractor is in a position to control the work.**

*Contracts or contractor Insurance may present a Number of concerns. This training covers these Potential concerns.*

- ♠ Contractor's commercial general liability policies typically exclude supervisory acts of the State, which result in loss.
- ♠ Contractors purchase the wrong type of insurance.
- ♠ Contractors provide insurance coverage, which is in excess of any other insurance, including the State's.
- ♠ Contractors purchase "claims made" versus "occurrence" coverage.
- ♠ Contractors fail to specifically name the State as an additional insured under its insurance policy.
- ♠ Contractor violates statutory responsibility for employee safety or inspection and files a claim against the State.
- ♠ Contractor's insurance lapses. In the event of contractor negligence, the contractor is rendered insolvent and the State is help responsible for damages.

## **Who Should Attend?**

Facility Managers, Legal Council, Administrators, and anyone who drafts reviews, signs, or approves contract of any size or scope.

THIS COURSE IS  
**FREE\***  
AND OPEN TO ALL STATE AND UNIVERSITY  
EMPLOYEES

**\*PRE-REGISTRATION IS REQUIRED  
YOU CAN PRE-REGISTER AT:**

[www.discoveringmontana.com/doa/rmtd](http://www.discoveringmontana.com/doa/rmtd)

In recent court cases, public entities have  
increasingly been held responsible for the acts of  
independent contractors

COURSE ATTENDEES ARE INVITED TO BRING CONTRACTS FOR REVIEW  
AND DISCUSSION

**DATE & LOCATION**  
*There is no cost for this course*

*With the holiday's pending RMTD is only offering one class at this time.*

*Dec 10, 2003  
9:00am to noon  
The Capital Building  
Room 152*

**REGISTRATION**

*Please pre-register at:*

*The "Training" page of [www.discoveringmontana.com/dao/](http://www.discoveringmontana.com/dao/)*